CAPESIZE

The market moved sharply lower previous week with both rates and index values declining. Very little inquiry surfaced from the Atlantic, whilst in the Pacific most activity was focused on the C5 run, the rate of which in the end of the week was around the $9.00 level.

Week 51 started with the C5 run having a change in market direction during the first day back after the weekend. Last done was at $9.00 on Friday, mid $9s was reported Monday followed by rumors in the high $9s. The transpacific round rose accordingly, largely helping the BCI and 5TC climb back to the positive territory. In the Atlantic, the north remained under pressure on fronthaul trips, but more early January cargoes hit the market amid a tight tonnage list could prove challenging.

Monday's positive trend paused Tuesday with BCI and 5TC slipping. Despite C5 run actively traded and fixtures reported from the Atlantic, all routes moved downwards.

In the Atlantic, the holiday lull appeared to be in full force. It emerged that previous Friday IMR covered its January 17-20 Saldanha to Qingdao loading at $16.75 fio, whilst Monday Ore&Metal awarded their January 7-12 tender on the same route at $16.20 fio, basis 1.25% total commission.

Tuesday Posco awarded its 5-14 January coal tender from Neptune Terminal, Cananda to Pohang at $12.37 and NCSC covered their coal loading from Bolivar to Hadera on 18 January/onwards at $15.00 fio.

Despite limited fresh information in the Pacific the market saw a slight uptick Monday, with the C5 rate moving back up into the mid-$9.00 range, amongst talk of even firmer numbers done. Rio Tinto covered a January 4-6 Dampier/Qingdao loading at $9.50 fio. The charterer also fixed at the same rate a January 3-6 stem and was rumored done something in the high $9s but full details could not be confirmed. It also emerged that NYK fixed last Friday a 2-11 January C5 cargo at $9.20 and CCL their loading basis January 3 canceling at $9.60 fio.

Tuesday BHP was linked to taking 4 vessels for their Port Hedland/Qingdao cargoes on various dates.

One of them was done at $9.75 on 4-6 January window, another at $9.40 and a third one at $9.78. Rio Tinto booked 2 vessels from Dampier for 6-8 January, one at $9.35 and the other at managed $9.00.

On the oil front, Crude products slumped on omicron lockdowns. Prompt futures settled in contango for the first time since April. In bunker markets, demand for 0.5%S had been down on the week. While availability was good at most ports, there was some tightness on 0.5%S in Rotterdam. A source said that the market's backwardation was causing end-users to run down their diesel stocks. Over the weekend, the Netherlands announced that the country would enter a lockdown on December 19, with all non-essential services ordered to close until January 14. Denmark and Ireland also imposed new restrictions, while other European countries were considering additional curbs. Total bunker sales in Panama, which included 0.5%S fuel, marine gasoil and high sulfur IFO 380 bunker fuel, reached 465,380 mt last month, its highest since January 2020. The supply situation of high sulfur fuel oil in North Asia was contrasted by the tighter situation in China, due to fewer imported cargoes, and easing tightness in Japan, where bad weather had limited demand and lifted pressure on supply.

Trading took off mid-week in the final rush before Christmas holidays commence but failed to create a positive impact on rates or index numbers. Owners appeared more willing to concede for cover.

Very little surfaced in the Atlantic, with traders willing to wait through the holiday period before returning in force. Rio Tinto covered its January 18-24 loading from Seven Islands to Oita via Suez at $27.50 fio option via Cape of Good Hope at $28.50 and Pacbulk its Saldanha Bay/Qingdao 6-12 January in the low $17.00s. Also Salzgitter fixed their January 10-19 cargo from Narvik to Hansaport a $7.85 fio, basis a 1.25% total commission.

Despite activity in the Pacific, the C5 rate fell. BHP was reported to have booked two vessels for the 5-10 January window from Port Hedland to Qingdao at $9.25 followed by $9.00. Rio Tinto fixed from Dampier at $9.00 but the dates were unclear. On the coal front KEPCO awarded their January 6-15 coal tender from Newcastle to Boryeong at $14.55 and for January 10-19 at $14.43 fio.

Crude extended rally on US inventory draw, easing omicron fears. US commercial crude inventories declined 4.72 million barrels. Meantime analysts expect the OPEC+ agreement to continue to be the key driver of Russian output volumes, with potential changes to Western economic sanctions policy, as well as spare capacity volumes, also playing a role.

Approaching the end of this shortened week the 5TC fell below the $20,000 barrier. Concluded business was very limited, with rates showing no improvement.

In the Atlantic trading it emerged Ore&Metal awarded its Saldanha Bay/Qingdao December 19-24 tender at $15.60 fio, basis a 1.25% address commission. CSN was rumored to have fixed one of its usual CSN/Qingdao cargo for early January at $21.50 fio, whilst a Newcastlemax was said to have fixed an Ubu/Japan cargo at $20.00 but full details could not be confirmed.

In the Pacific, Rio Tinto covered a January 8-10 Dampier/ Qingdao loading at $9.00 fio followed by a January 10-12 at $8.75.

BCI lost 495 this week to end at 2,312 and BCI 5TC average plunged $4,107 standing on Friday at $19,716 daily.

Unfortunately this week we still could not see any signs of finding a floor to stop the significant declines across the board and probably this will be the story till the end of the year, however its worth pointing out that on the year-on-year basis, the market is finishing this year better than 2020, with the key C3 and C5 routes higher than what they were this time last year.

We take this opportunity of wishing you, your family and all your dears Merry, Peaceful and Healthy Christmas.

PANAMAX

Trading succumbed to the pre-holiday lull last week, with rates dropping sharply and some owners rushing to take cover before Christmas. Atlantic failed to find any momentum with subdued activity whereas in the Pacific Indonesian coal cargoes proved the most robust segment, with fresh inquiry seen over the course of the week. However this failed to translate into any improved rates as available tonnage was ample.

A typical slow start to the week with very little fresh support, failing to buck the recent trend with seemingly further corrections to be made in the week as some looked for cover over the festive break.

Tuesday despite a number of new cargoes in the North Atlantic, rates were still easing with some vessels fixed and failed. In the South end January -early February arrivals saw an uptick in rates, lending hopes that the first quarter of 2022 will bring happier fortunes. Indonesian cargoes provided much of the support seen in Asia, but prompt tonnage was still weighing on the market overall.

The North Atlantic continued to be under a significant pressure thanks to a consistent lack of transatlantic and fronthaul cargo. Numbers were dropping aggressively, but with some

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small help perhaps coming from charterers ex EC South America beginning to look at ships from Gibraltar, could assist alleviate some pressure. With the ballaster list relatively short, the South was steady albeit with limited bids but with offers still above the index levels. Cargill was linked with a 2009-built 83,651 dwt kamsarmax 30 November delivery retro- sailing Singapore for an EC South America round at $22,000 daily. The charterer also booked a 2005- built 76,294 dwt panamax 30 December Safi for a trip via Trombetas to Aughinish at $19,000 daily.
The North Atlantic found a floor Tuesday following Monday's flurry of activity clearing out the prompt positions. Levels concluded ex EC South America were well over last done. With offers on the most part unchanged from the end of last week, charterers had to pay up in order to secure tonnage.
Fronthaul rates ex Black Sea followed suit with vessels being bid up basis India and Mediterranean positions getting interest even for mid-January dates. Jera placed on subjects a 2007-built 86,949 dwt kamsarmax Antwerp spot for a trip via US East Coast redelivery Jorf Lasfar at $19,500 daily, whilst Nordic fixed & failed a 2015-built 82,039 dwt vessel Ghent prompt for a quick trip via Murmansk redelivery Hamburg at $20,000 daily. The vessel later re-fixed Uniper for a trip via the US Gulf redelivery Fos at $18,000 daily. Oldendorff booked a 2014-built 95,707 dwt post panamax Aughinish December 20 for a trip via Narvik redelivery Skaw-Gibraltar at $19,000 daily and Ming Wah took a 2017-built 81,774 dwt kamsarmax December 21-22 Zhoushan for a trip via the US Gulf redelivery Singapore/Japan at $21,000 daily.

An encouraging start to the week with respect to the cargo count in the Pacific but with most of charterers taking a "wait and see" approach, volume was typically thin. However, it was evident that there still remained a surplus of prompt ships and consequently owners would eventually need to reduce their offers in order to find cover, especially given that it is a shorter trading week. In the South a 2004-built 77,684 dwt panamax was fixed to unnamed charterers December 24-25 Kaohsiung for a trip via Indonesia redelivery South China at a miserable $15,000 daily, whilst Hengda was linked with a 2001-built 74,716 dwt mature lady December 21 Kemen for the same business at a really "ugly" $12,500 daily. Elsewhere a 2016-built 85,020 dwt kamsarmax was fixed to unnamed charterers December 20-21 Singapore for a trip via South Africa to China at a good $28,000 daily. NoPac trade heard Raffles recently fixed a 2014-built 81,918 dwt scrubber-fitted vessel December 20-22 Yosu for a NoPac round at $21,000 daily with the scrubber benefit to the owners. On the same run MOL took a 2008-built 82,449 dwt kamsarmax 20 December Tomogashima at $19,500 daily. On voyage SAIL awarded its January 10-19 coal tender from Hay Point to Visakhapatnam at a lower $20.45 fio.
A steady Tuesday in the basin, with both owners and charterers deciding it was the optimum time to take cover prior to the Christmas holidays, resulted in some improved volume, in particular ex NoPac.
Despite this, rates remained flat with early tonnage still on high side though signs that supply could soon start to level out were evident. Combine this with healthy period enquiry, owners sentiment remained confident looking forward. Reports emerged of Ming Wah fixing a 2017-built 81,774 dwt kamsarmax Zhoushan 21-22 December for a trip via US Gulf to Singapore-Japan at $21,000 daily, although some said the vessel went for a NoPac round at $19,000 daily.
Swissmarine fixed a 2016-built 82,039 dwt vessel CJK 23-24 December for a NoPac round at $19,000 daily.
On voyage KEPCO awarded its Gladstone/Dangjin 4-10 January coal tender at $16.05 and SAIL their Hay Point/Visakhapatnam 11-20 January at a better $22.10 fio.

On the back of a seemingly improving physical and FFA market, period interest came to the fore. Louis Dreyfus fixed a 2013-built 82,297 dwt kamsarmax open Phu My mid-January for 8/11 months trading at $21,500 daily, Bunge booked a 2013-built 82,097 dwt vessel Rizhao 24-26 December for 5/7 months at $22,500 daily, whilst a 2008-built 77,000 dwt vessel South Japan December 28-January 2 went to unnamed charterers for 10/12 months at $21,000 daily.

A pre-holiday spirit Wednesday with activity return.
Charterers were eager to fix before the holidays and owners succeeded in holding the line, with rates steady-to-firming depending on the business. North Atlantic trades looked positive,

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with prompt tonnage mopped up and owners pushing hard for firmer rates.
The South also managed better numbers on increased demand for tonnage. Out of the Pacific, busier trading translated into firmer numbers. NoPac rounds and cargo ex Indonesia helped lift routes to better numbers. More period enquiry provided additional support.

In the Atlantic strong gains on paper mirrored the upward movement in the South, against limited offers and most owners increasing their ideas. Cargo demand remained robust. Congruently, transatlantic rates firmed in the North after bottoming out already Tuesday, with a shorter list of vessels left unfixed prior to the impending holidays. Viterra took a 2007-built 92,710 dwt scrubber-fitted post panamax January 5-10 delivery Recalada for a trip to Skaw-Gibraltar range at $44,000 daily. The scrubber benefit was to the charterer's account. A 2015-built 81,084 dwt kamsarmax fixed an undisclosed charterer December 29-30 delivery Nansha for an EC South America round $25,000 daily. Also unnamed was the charterer of a 2006-built 77,430 dwt panama that agreed $18,000 daily December 23 delivery Bayuquan for a US Gulf round. A 2005-built 75,411 dwt panamax was fixed December 25-26 delivery Fangcheng for a trip via EC South America redelivery Singapore-Japan at $17,250 daily. No word on the charterer involved. On voyage ArcelorMittal was said to have fixed its iron ore lift ex PDM to Hansaport 5-14 January in the $16.00's fio.

Wednesday, the Pacific market turned into owners favor.
However, this upswing was not purely based on supply/demand but led by a more substantial EC South America market and a healthy FFA push. As the week was slowly ending, as we were left with one and a half trading days, both owners and charterers had to decide whether they would take the risk and wait until next week, or to find cover now. Time being owners had the playing advantage. From NoPac, SwisssMarine fixed a 2016-built 82,039 dwt kamsarmax December 23-24 delivery CJK on a round trip at $19,000 daily. Also Raffles took a 2012-built 81,438 dwt vessel December 20-21 delivery Longkou at $18,000 daily. Voyages in the East reported SAIL awarded its January 13-22 Port Kembla/Visakhapatnam coal tender at $24.40 fio.

On the period front, SDTR fixed a 2008-built 77,283 dwt vessel Busan 30 December-01 January for 1 year trading at $21,000 daily.

The week drew a close on Thursday, practically the last full trading day prior Christmas, and meteoric rate rises especially from EC South America continued to impact the market with a host of fixtures concluded at better to last done. EC South America was hot for end January/first half February arrivals with rates expected to continue to rise as improved demand led the charge. The North Atlantic remained well supported with solid levels of demand despite holidays approaching. Pacific trading also picked up some firmness on the back of EC South America demand, despite a slower pace of trading.

Regardless the imminent festive holidays, Atlantic remained firm. TransAtlantic demand in the North was robust with bids above last done and thin offers. Fronthaul enquiry was less prevalent but rates here were also improving in line with sentiment. Nordic was said to have fixed an ice classed 77,528 dwt 2014- built panamax Rotterdam end December/early January for a Baltic round trip at an impressive $42,000 daily.
A 2006-built 75,331 dwt vessel reportedly fixed an unnamed charterer December 22 Dublin for a trip via the US East Coast and the Black Sea redelivery Passero at $26,000 daily. Ex EC South America Louis Dreyfus booked a 2019-built 82,044 dwt kamsarmax December 27 delivery Haldia for a trip redelivery 2012-built 82,084 dwt vessel December 22 also delivery Haldia redelivery Southeast Asia at $20,000 daily. In addition Cofco Agri fixed a 2013-built 81,086 dwt kamsarmax at $22,500 daily December 24 again Haldia for a trip to Singapore-Japan. The charterer was also linked with a 2004-built 76,616 dwt panama December 25-26 Singapore redelivery Southeast Asia at $22,250 daily.

In the Pacific Thursday proved a less active day, however sentiment still remained positive. A decent injection of fresh cargos led to a clear out of much of the early tonnage, boosting owners confidence leading to an increase in rates. Furthermore, with EC South America continuing to push and healthy period enquiry persisting, the basin looked set to continue its rebound with further gains predicted at least for the short term future.

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From EC Australia a 2011-built 92,929 dwt post panamax went to an undisclosed charterer December 22 delivery Tokuyama for a trip redelivery Singapore-Japan at $24,000 daily and a 2013-built 82,620 dwt kamsarmax was taken December 26-27 delivery Jingtang for a trip to India at $18,500 daily. From NoPac a 2020-built 81,100 dwt kamsarmax secured $24,000 daily December 27-28 delivery Pohang for a NoPac round. On the same run Raffles fixed a 2012- built 81,305 dwt scrubber-fitted vessel prompt Rizhao at $19,500 daily. The scrubber benefit was for the charterer's account.
K-Line also booked a 2012-built 76,249 dwt panamax December 28-30 Kwangyang at $18,500 daily, whilst Olam International was linked with a 2012-built 81,376 dwt kamsarmax December 25-26 CJK at $18,000 daily and an unnamed charterer with a 2009-built 76,463 dwt panamax December 26 delivery Shidao also at $18,000 daily.
Elsewhere a 1998-built 73,326 dwt mature lady went to undisclosed charterers December 28-29 delivery Xinsha for a trip via Indonesia redelivery South China at $15,000 daily. On voyage KEPCO awarded its January 10-14 coal tender from Gladstone to Hosan at $20.00 fio.

As we round out a year full of surprises with the market hitting new highs despite ongoing uncertainty with COVID-19 and then going down like a stone, one thing we are confident in: this volatility will continue and the market will remain opportunistic in 2022.
This year, the pandemic cast a spotlight on the Shipping Industry in general and we see no reason this will change next year.

SUPRAMAX – HANDYMAX - HANDYSIZE

EAST COAST SOUTH AMERICA / WEST AFRICA

The week is closing with a downward course and with lack on reported fixtures. More specifically, for Supramax/ Ultramax sector, fixtures were non-existent. However on handy size sector, the trips via ecsa to west Mediterranean were paying around $33/ $34,000 while trips to east Mediterranean were around $34/ $35,000. Handymaxes in Ecsa were getting payed $38/ $39,000 for trips to Continent/Baltic range.

MEDITERRANEAN/ CONTINENT / BLACK SEA

Activity has been gradually getting quieter as we drew closer to the end of the week, to no one's surprise of course, in view of Christmas holidays.
A holiday feeling to the market pushed market downwards as also very limited fresh enquiry around and only some last minute for this year cargoes might have left to cover.
The Mediterranean market continues to soften.
Handies basis Canakkale were fixing at mid/high 20's for the usual intermed run and tick less for trips to Continent area.
Another 32dwt from Egypt Med fixed for trip to Brazil with ferts at $32,500.
On the supramax sector a supramax fixed $30,000 from emed to West Africa with clinker cargo.
A tick less was the rate for supramaxes in case intermed runs and close to 30k daily for trips to west med basis always delivery in Canakkale.
As far the fronthauls a nice supramax could gain mid-high 30's for trip to pacific.
The Continent remained under pressure due to seasonal break and of course the ice trading which lead some owners discounting their rates in order to avoid it.
For the handies although nothing was reported the trip via Continet to USG and Ecsa region were hovering around $30,000.
From the supramax/Ultramax sector a 63dwt open Ghent was fixed for a trip to the US East Coast at $28,000 whilst a supramax fixed a tick below $30,000 for the usual scrap run to east med.

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FAR EAST/ INDIA

(**Below info on the basis of an average 58k dwt vessel - basis our views/feeling/information on the market)

A dull week for the Supramax segment is coming to an end – activity has been much slower and rates retreated for almost all routes to no one's surprise of course. A decent 58 could secure around $19,500/20,500 basis Philippines for coal via Indonesia back to West Coast India. Australia rounds have been moving close to $21,500/22,500 basis CJK and NOPAC market was almost silent – levels should have been around $19,500/20,500 basis South Korea for same – subject to the cargo/duration and actual destination. Aggregates via Persian Gulf to Bangladesh have been paying around $30,000/31,000 basis Pakistan. South Africa levels have been fluctuating around $25,000 plus $500,000 afsps Richards Bay for coal to Pakistan or closer to $26,000 plus $600,000 passing Durban for manganese ore to Far East. Interest for period has been limited – a nice 58 could be fixed at $22,000/23,000 for 4/6 months period basis Far East delivery or $24,000/25,000 if basis Pakistan/WCI, always depending on flexibility offered of course.

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